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C O N F I D E N T I A L SECTION 01 OF 02 VILNIUS 000581

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STATE FOR EUR/NB

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [LH](#)
SUBJECT: PARLIAMENT REJECTS SOCIAL DEMOCRAT CANDIDATE FOR
PRIME MINISTER

REF: VILNIUS 562 AND PREVIOUS

Classified By: Pol/Econ Officer Randolph Flay for reasons 1.4(b/d)

SUMMARY

¶1. (SBU) The Lithuanian Parliament today rejected Acting Prime Minister Zigmas Balcius's candidacy for prime minister. Fifty-two MPs supported the Social Democrat's candidacy, 48 voted against, and 32 abstained; his appointment required a simple majority of those present (67 votes). The President now has 15 days to present a new candidate to the parliament for consideration. Both Conservative and Social Democratic leaders are calling for renewed talks aimed at establishing a rainbow coalition. END SUMMARY.

CONSERVATIVES, LABOR PARTY SCUTTLE SOCDEM CANDIDATE FOR PM

¶2. (SBU) Balcius, President Adamkus's choice for prime minister (reftel), failed June 20 to garner a simple majority in parliament. Only 52 MPs supported his candidacy, 48 voted against, and 32 abstained, effectively casting "no" votes. Balcius needed 67 votes to secure the prime ministership. Voting fell along party lines. The Social Democrat-led coalition, which includes the Civil Democracy, National Farmer, and Liberal Centrist parties, generally supported Balcius. The Conservatives, Social Liberals, and Liberal Movement voted against his candidacy as expected. The Social Democrats expected the Labor Party to support Balcius, but Labor and Liberal Democrat MPs largely abstained, effectively sinking Balcius's candidacy.

¶3. (SBU) The Social Democrats engaged in intensive talks with Labor's current cabinet members in an effort to gain votes, but with little effect. Acting Labor Economy Minister Kestutis Dauksys on Friday publicly rejected the Social Democrats' suggestion to leave the Labor party and join a new cabinet as an independent.

WHAT TO EXPECT NEXT: ANOTHER RAINBOW?

¶4. (SBU) The President now has 15 days to present another prime ministerial candidate to the parliament for consideration. Social Democrat negotiator and acting Defense Minister Gediminas Kirilas stated publicly that he thinks the most realistic way out of the current political situation is to renew talks of a rainbow coalition led by the Social Democrats and Conservatives. Conservative Leader Andrius Kubilius says he is open to further discussions on the rainbow coalition and that if the President picks him for PM that he will invite the Social Democrats to join the coalition. President Adamkus, currently on an official visit

to Turkey, told the press he will wait until later this week before making any statements about possible candidates. He also restated his opposition to holding pre-term elections.

15. (C) Vaclav Stankevic, Social Liberal MP, told us that no one in the parliament was surprised by the vote and that it was unfortunate the Social Democrats promised the President an easy approval. He suspects the Conservative-led bloc, which includes the Homeland Union, Social Liberals, and Liberal Movement, will ask the President to nominate Kubilius for PM and that Kubilius will invite the Social Democrats and National Farmers to join in a rainbow coalition. Eligijus Masiulis, Liberal Movement MP, told us that the Conservative bloc has also initiated talks with the National Farmers and Civil Democrats to encourage them to join the Conservative bloc. (Note: This formula would create a bloc of 69 MPs -- two short of a majority -- without the Social Democrats.)

DISSENT WITHIN THE SOCDEMS?

16. (C) Simonas Satunas, one of President Adamkus's advisors, told the Charge on June 19 that the SocDems were experiencing an internal power struggle between Balcytis and acting Defense Minister Gediminas Kirkilas. Many Social Democrats, Satunas said, believed that Balcytis's alleged attempt to join the KGB in the 1980s and allegations that Balcytis's son may be linked to the fraudulent use of EU funds made Balcytis an electoral liability. Satunas told us that the many Social Democrats therefore preferred Kirkilas to Balcytis. (Note: The Social Democrats uniformly supported Balcytis in today's vote, however.)

COMMENT

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17. (C) The President's options for Prime Minister are limited given his desire to keep Labor, the Liberal Centrists, and the Liberal Democrats of impeached ex-President Rolandas Paksas (a total of 49 MPs) out of any ruling coalition. While programmatic differences are a clear obstacle to a joint Conservative-Social Democrat coalition, most parties are keen to avoid pre-term elections, at least for now. Many still see Kubilius as too uncompromising to become the prime minister, but President Adamkus doesn't have many other choices.

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